

CD

NOTE: This document is to be printed on Division of Oil, Gas and Mining Letterhead

(Last revised May 9, 2005)

____ (Bank Name)

____ (Address)

____ (phone)

Attention: _____ (Bank Acct. Rep., Branch Manager, etc.)

Subject: Reclamation Surety, Certificate of Deposit for _____'s (Company Name)

_____ Mine Site, _____ (OGM mine file #),

_____ County, Utah

Certificate of Deposit no. _____; Principal Amount \$_____.

This letter describes the mutually agreed upon instructions of the below signed parties to _____ Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the _____ mine site ("Mine Site"), _____ County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$_____ in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by _____, a _____ corporation, and by _____, an individual(s), (collectively "Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person

claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$ _____. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: _____

Type the Name & Title of Company Authorized Officer here
Type the Company Name here
Tax ID Number: _____

Date: _____

Type the Name and Title of Bank Authorized Officer here
Type the Name of Bank here

Date: _____

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